HUMAN CAPITAL MANAGEMENT ACCOUNTABILITY SYSTEMS

- **1. REASON FOR ISSUE:** To re-issue guidance regarding VA's Human Capital Accountability Program.
- **2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This handbook contains mandatory procedures regarding VA's Human Capital Accountability Program, including mandatory procedures for the completion of facility-level HR self-evaluations and the process for conducting on-site HRM assessments. The official version of this handbook is maintained electronically and is available through the Office of Human Resources Management Web site. This handbook is reissued in its entirety. Significant changes include:
- a. Incorporates provisions of Human Resources Management Letter 05-06-03, VA Human Capital Accountability Policy, dated June 14, 2006.
- b. Modifies timing of self-evaluations from end of each fiscal year to beginning of each fiscal year.
 - c. Adds requirements pertaining to Delegated Examining Units.
- d. Modifies the term human capital "standard" to human capital "system" to be consistent with revised Office of Personnel Management terminology and combines elements of two standards into one "system."
- **3. RESPONSIBLE OFFICE:** The Oversight and Effectiveness Service (054), Office of the Deputy Assistant Secretary for Human Resources Management.
- **4. RELATED DIRECTIVE:** VA Directive 5024, Human Resources Management Accountability Systems.

5. RESCISSIONS

- a. VA Handbook 5024, Human Resources Management Program Evaluations, dated March 30, 2004.
- b. Human Resources Management Letter 05-06-03, VA Human Capital Accountability Policy, dated June 14, 2006.

CERTIFIED BY:

BY DIRECTION OF THE SECRETARY OF VETERANS AFFAIRS:

/s/ Roger W. Baker Assistant Secretary for Information and Technology

/s/ John U. Sepúlveda Assistant Secretary for Human Resources and Administration

ELECTRONIC DISTRIBUTION ONLY

HUMAN CAPITAL MANAGEMENT ACCOUNTABILITY SYSTEMS CONTENTS

PA	RAGRAPH	PAGE
1.	BACKGROUND	
2.	PURPOSE	6
3.	SCOPE	
4.	AUTHORITY	6
5.	HUMAN CAPITAL ACCOUNTABILITY AT VA	
6.	ROLES AND RESPONSIBILITIES	
7.	ACCOUNTABILITY SYSTEM	12
8.	ACCOUNTABILITY ACTIVITIES	
9.	ASSESSMENT PROCESS	15
	CONDUCTING THE ASSESSMENT	
	ANNUAL HC SELF EVALUATION	
12.	OTHER ACCOUNTABILITY REVIEWS	19
	REPORTING AND CORRECTIVE/IMPROVEMENT ACTION	
14.	EVALUATION OF VA'S ACCOUNTABILITY SYSTEM	21

HUMAN CAPITAL MANAGEMENT ACCOUNTABILITY SYSTEMS

1. BACKGROUND

- a. The Human Capital (HC) Accountability System within the Department of Veterans Affairs (VA) supports VA's mission to provide health care, benefits, and memorial services to Veterans and their dependents or survivors. The Veterans Health Administration (VHA), Veterans Benefits Administration (VBA), National Cemetery Administration (NCA), and VA Headquarters comprise the Department and accomplish their mission through a wide spectrum of programs and activities requiring the dedicated service of approximately 270,000 employees nationwide.
- b. The foundation of VA and the key to its future success rests with its workforce. The ability to accomplish VA's challenging mission is directly dependent on a workforce that both capitalizes on its strengths and aligns itself with VA's mission and strategic goals. The basis for creating and sustaining such a workforce is HC policies, programs, practices, and operations that produce mission-related results effectively and efficiently, in accordance with merit system principles and other civil service laws, rules, and regulations. It is built upon the fundamental understanding that accountability for HC management extends beyond the human resources (HR) community to include senior Department leadership, managers, employees, employee representatives, and other stakeholders.
- c. VA, like every other Federal agency, is aligned with the Human Capital Assessment and Accountability Framework, which contain five Human Capital Systems (i.e. objectives):
- (1) **Strategic Alignment.** A system led by senior management, typically the Chief Human Capital Officer (CHCO), that promotes the alignment of human capital management strategies with agency mission, goals, and objectives through analysis, planning, investment, measurement, and management of human capital programs.
- (2) **Leadership and Knowledge Management.** A system that ensures continuity of leadership by identifying and addressing potential gaps in effective leadership and implements and maintains programs that capture organizational knowledge and promote learning.
- (3) **Results-Oriented Performance Culture.** A system that promotes a diverse, high-performing workforce by implementing and maintaining programs to attract, acquire, promote, and retain quality talent.
- (4) **Talent.** A system that addresses competency gaps, particularly in mission-critical occupations, by implementing and maintaining programs to attract, acquire, promote, and retain quality talent.
- (5) **Accountability.** A system that contributes to agency performance by monitoring and evaluating the results of its human capital management policies, programs, and activities; by analyzing compliance with merit system principles; and by identifying and monitoring necessary improvements.

2. PURPOSE. The purpose of VA's Accountability System is to ensure VA is accomplishing its HC goals and objectives and to assist in the assessment of the management of human capital in VA. This system provides for an annual assessment of VA's human capital management progress and results including compliance with relevant laws, rules, and regulations. This accountability system is designed to ensure that the intended HC results are being achieved at the Department level and throughout each Administration, and are accomplished through proper use of delegated personnel authority in accordance with 5 Code of Federal Regulations (CFR), part 250 including Rule V in title 5, CFR.

3. SCOPE. The scope of the VA HC Accountability System is Department-wide, covering all United States Code (U.S.C.) title 5, title 38, and any other non-title 5 HC and HR operations. This includes assigning responsibility for developing, and implementing methodologies for measuring, evaluating, and improving HC results to ensure mission alignment, effective HR management (HRM) programs, efficient HR processes, and merit-based decision-making in compliance with law and regulation.

4. AUTHORITY

- a. VA's HC Accountability System is designed to support the authorities related to the establishment and operation of a HC accountability system—i.e., 5 U.S.C. 305; Civil Service Rule X, as codified in 5 CFR 10.2; 5 CFR 250; and the Homeland Security Act of 2002 (P.L. 107-296) (CHCO Act). Additionally, VA's responsibility for overseeing delegated examining (DE) throughout the Department is incorporated into the accountability system.
- b. This accountability system ensures that HC programs and HR operations support agency mission and are accomplished efficiently, effectively, and in compliance with merit system principles. As necessary and appropriate, the Department will coordinate its accountability activities with other oversight entities, including the agency Inspector General, the U.S. Office of Personnel Management, the U.S. Office of Special Counsel, and the General Accountability Office to address prohibited personnel practices, violations of law, rule, or regulation, or mismanagement/abuse of authority.

5. HUMAN CAPITAL ACCOUNTABILITY AT VA

- a. In accordance with 5 CFR 250, accountability efforts are supported by a formal Department-wide, integrated HC accountability system to ensure VA is achieving mission-aligned HC goals effectively, efficiently, and within merit system principles and related regulations. The VA Strategic HC Management Plan defines the goals, objectives and performance targets and progress is monitored on a regular basis to ensure results. Guideposts for this system are based on the HC Assessment and Accountability Framework (HCAAF), which includes the key HC implementation systems—Leadership/Knowledge Management, Results-Oriented Performance Culture, and Talent Management.
- b. The Department's leadership oversees establishing HC goals and objectives, determining measures for assessing results, establishing budgets and identifying resources for system operation, monitoring and assessing results, and taking appropriate improvement or corrective action. Maintaining the dynamics of this continuous improvement process requires

ongoing coordination between key management entities and the Assistant Secretary for Human Resource & Administration (HR&A)/CHCO, as well as all Administrations and HQ Staff Offices.

c. The CHCO provides leadership and overall direction for VA's HC Accountability System. Under the guidance of the CHCO: 1) the Deputy Assistant Secretary for Human Resources Management (HRM) provides direction and guidance on HR policies and programs; 2) the Strategic Human Capital Planning Service, in conjunction with the Oversight and Effectiveness (O&E) Service, monitors and assesses organizational progress on goals and objectives; and 3) the Strategic Management Council and HC-related groups provide cross-Administration collaboration on HC issues, accomplishments and results. VA's performance management systems provide the mechanism for holding executives, managers, supervisors, and employees accountable for system results VA-wide.

6. ROLES AND RESPONSIBILITIES

- a. **Key Roles.** The following are specific roles and responsibilities of key personnel/organizations in the planning, direction, execution, reporting, assessment, and oversight of agency accountability activities.
- (1) **VA Executive Board.** The VA Executive Board (VAEB) is chaired by the Secretary and includes the Deputy Secretary; Chief of Staff; Under Secretaries; the General Counsel; and the Chair of the Board of Veterans' Appeals. The VAEB is the Department's most senior management decision making forum. The VAEB reviews, discusses, and through the decisions of the Secretary, provides direction on Departmental policy, strategic direction, resource allocation, and performance in key areas.
- (2) **Strategic Management Council.** The Strategic Management Council (SMC) is chaired by the Deputy Secretary and includes the Chief of Staff; Assistant Secretaries; the Deputy Under Secretaries; the General Counsel; and the Chair of the Board of Veterans' Appeals. The SMC serves as the collaborative and deliberative body that provides oversight and guidance on key strategic and operational issues that are likely to require action by VA decision-makers.
- (3) **Senior Review Group.** The Senior Review Group (SRG) is chaired by the Chief of Staff and includes the Principal Deputy Assistant Secretaries; the Administrations' Chiefs of Staff; the Deputy General Counsel; and the Vice Chair for the Board of Veterans' Appeals. The SRG serves as the collaborative and deliberative body that provides oversight and guidance on key strategic and operational issues, and makes recommendations on issues that should be considered as part of VA's governance process.
- (4) **Strategic Planning and Policy Formulation Group.** The Strategic Planning and Policy Formulation Group is comprised of the Assistant Secretary for Policy and Planning; the Administration's Chiefs for Policy and Planning; Deputy General Counsel; Deputy Assistant Secretaries for Human Resources Management, Planning and Evaluation, and Budget; other Deputy Assistant Secretaries; and policy and planning representatives from the Board of Veterans Appeals and Board of Contract Appeals. This Group oversees the implementation of the Department's strategic planning process, formulates and implements policy, coordinates

interagency activities, develops regulations, develops a schedule for program evaluations, and reviews results of program evaluations.

- (5) **Workforce Planning Group.** The Workforce Planning Group is comprised for the AS for HR&A, Administration Human Resources Directors, the Deputy Assistant Secretaries for Human Resources and for Planning and Evaluation, and Staff Office and Board Human Resources Directors. The Group systematically considers internal and external factors that aid or obstruct the development of a competent, diverse workforce and devised appropriate tactics for doing so. The process of aligning the management of human resources with business strategy is linked to VA's strategic planning process and supports the tasks for VA workforce planning in the VA Strategic Plan. Those tasks are to identify competencies for the current and future VA workforce and define a strategy for bridging the gap between the two.
- (6) Assistant Secretary for Human Resources and Administration (AS for HR&A)/CHCO. As an integral part of senior leadership, the AS for HR&A advises/assists the Secretary, the Under Secretaries and other Staff Office heads in carrying out VA's responsibilities for selecting, developing, training, and managing a high quality, productive workforce in accordance with merit system principles. As part of this responsibility, the AS for HR&A advises the VA Executive Board and Strategic Management Council on the strategic alignment of VA's workforce to its mission and serves as principal advisor to the Secretary on VA workforce succession planning, achieving and sustaining a diverse workforce, employee training and professional development matters. The AS for HR&A has overall responsibility for developing the HC Plan, oversees the operation of VA's Human Capital Accountability System and ensures compliance with merit system principles, other regulations and VA human resources policies. The AS for HR&A has overall program responsibility for assessment and evaluation of HRM programs, results, and accountability within VA.
- (7) Office of Diversity and Inclusion(ODI). ODI advises and supports the AS for HR&A in workforce diversity issues. The office also supports the Secretary, Deputy Secretary, Under Secretaries, and Assistant Secretaries in their actions to achieve and sustain a diverse workforce. ODI provides leadership in establishing the VA's diversity policy and in designing, maintaining, and evaluating diversity strategies. It works to enhance the employment of women, minorities, Veterans, and persons with disabilities through four main areas: (a) Workforce Analysis and Evaluation, (b) Complaints Prevention and Special Emphasis, (c) Outreach and Special Initiatives, and (d) Communications and Awareness.
- (8) Deputy Assistant Secretary for Human Resources Management (DAS for HRM). The DAS for HRM provides leadership in the planning and development of personnel policies and programs that support and enhance VA's mission; formulates VA policies, in coordination with the Administrations and Staff Offices pertaining to workforce planning, employment, compensation and classification, performance management and recognition, work-life and benefits, training and development, executive resources, and oversight; and provides technical assistance to the Administrations and Staff Offices in proper application of Federal personnel laws, regulations, and policies. The DAS is responsible for coordinating the development of VA's Workforce and Succession Plan and monitoring overall progress in meeting workforce planning goals. The DAS for HRM is responsible for evaluating the annual assessment of training needs completed through delegated authorities. In carrying out these responsibilities,

the DAS oversees accountability for Departmental results in overall Leadership and Knowledge Management, Results-Oriented Performance Culture, and Talent Management.

- (9) Oversight and Effectiveness (O&E) Service. The O&E service plans, coordinates and monitors the effectiveness, efficiency and merit system compliance of HRM. In carrying out these responsibilities, O&E ensures effective implementation of VA's HC Accountability System, including the conduct, reporting, and follow-up of VA's accountability activities. In support of HC/HRM assessments, this office oversees establishing matrix assessment teams and tracking the completion of resultant required and/or recommended actions and conducts an annual HR Self Evaluation to help measure VA's performance against the HC standards and to assist field facility Directors in conducting yearly, systematic, internal facility HR self reviews. This office also compiles an annual report on the status of the VA's HRM program to top management officials, the Office of Personnel Management and the Office of Management and Budget. The comprehensive nature of VA's accountability system requires an integrated approach whereby Administrations and Staff Offices work together to ensure that HC goals are met and that those results support mission accomplishment effectively, efficiently, and within merit system principles and other laws and regulations. The Director of O&E serves as the Accountability Program Manager.
- (10) Recruitment and Placement Policy Service (R&PPS). The R&PPS develops new recruitment, placement, staffing and employment policies, programs, products, and systems for the Department, covering title 5 competitive and excepted service and title 38 excepted services systems. R&PPS develops policy, guidance, and toolkits; manages the development of related VA-wide reports and requests to external agencies; and provides advice on the interpretation and application of statute, regulation, and policy. This office is responsible for subject areas that cover the full life cycle of advertising positions through evaluating and referring candidates, placing and promoting employees to separating employees. In addition, R&PPS has Department-wide oversight responsibilities for all employment authorities. In carrying out these responsibilities, R&PPS oversees accountability for results in Talent.
- (11) Strategic Human Capital Planning Service (SHCPS). The SHCPS works with the Administrations and Staff Offices to develop a corporate strategy that allows VA to successfully compete for, develop, and retain outstanding people to address current and future mission critical priorities. This work includes developing updates of VA's Strategic Human Capital Plan, establishing a standard and integrated corporate workforce planning capability, and serving as the liaison between VA and the Office of Management and Budget (OMB) and OPM regarding strategic human capital and workforce planning initiatives. SHCPS also develops policy and guidance in the area of HR employee learning and professional development to ensure strategic alignment with VA's Human Capital Plan and mission goals. As part of an HRM succession program and in partnership with the VA Learning University and the Administrations, SHCPS formulates, implements, measures, evaluates, and improves HR employee development activities. SHCPS also serves as a consultant when assisting the Administrations and Staff Offices in their analyses of competency gaps and identification of appropriate training and developmental initiatives to reduce gaps. In carrying out these responsibilities, SHCPS oversees accountability for results in Strategic Alignment and Leadership and Knowledge Management.

VA HANDBOOK 5024 JANUARY 23, 2012

(12) **Compensation and Classification Service (C&CS).** The C&CS manages the planning and development of compensation and classification policies and programs that support and enhance the Department's mission. C&CS provides technical assistance to VA facilities in the proper application of Federal pay-setting laws, regulations, classification standards and policies. These responsibilities include comprehensive technical reviews of special rate authorizations and nurse locality pay schedules prior to implementation and the adjudication of classification appeals. Additionally, the C&CS provides oversight and advisory service to managers on the use of management tools that enable VA to recruit and retain sufficient numbers of well-qualified personnel, such as recruitment, relocation, and retention incentives; and the student loan repayment program.

- (13) Employee Relations and Performance Management Service (ERPMS). This Department-level organization serves as the central reference source for policy, guidance, program monitoring, and evaluation of Department-wide performance assessment and award activities to ensure alignment with mission, goals and priorities. ERPMS coordinates with VA's Administrations to ensure that employee performance plans link individual performance to organizational goals, and that all employees are held accountable for mission-related results in compliance with merit system principles. In carrying out these responsibilities, ERPMS provides policy and training to help ensure Departmental accountability in the area of Results-Oriented Performance Culture.
- (14) **Human Resources Information Service (HRIS).** HRIS oversees the planning, implementation, and operation of VA's HRM data and information management systems. HC data and measures are provided to senior leadership and other accountability components as indicators of program efficiency, effectiveness, and program compliance.
- (15) Under Secretaries, Assistant Secretaries, Other Key Officials, Deputy Assistant Secretaries, Veterans Integrated Service Network (VISN) Directors, Area Directors, Memorial Service Network Directors, equivalent officials or designees. As members of the senior leadership, these officials are responsible for oversight through planning, developing, conducting, reporting, and following-up on VA accountability activities related to VA's Strategic Human Capital Planning, Leadership and Knowledge Management, Results-Oriented Performance Culture, and Talent Management.
- (16) **Facility Directors.** Directors at each VHA and VBA field facility evaluate their own HR management program each fiscal year utilizing the O&E Web-based evaluation instrument. Each Director must also approve corrective action plans to address accountability issues that surface during these reviews and other oversight activities.
- (17) **Managers/Supervisors.** Managers/Supervisors are responsible for ensuring workforce planning strategies and other actions are implemented to sustain a competent and productive workforce. They are responsible for selecting competent employees and providing them the necessary support and training to maximize their performance. They manage employee performance by developing employee performance plans, providing feedback and progress reviews, appraising performance, and rewarding top performers or taking action against poor performers. Managers and supervisors ensure HC accountability at all levels of the organization, down to the front line.

(18) **Employees.** Employees have an important role in their own learning and professional development. They share responsibility with their managers/supervisors for identifying training needs in relation to job requirements and for identifying sources for meeting those requirements. Employees also have primary responsibility for self-development activities. Employees provide important checks and balances for agency leadership through feedback on employee morale and organizational effectiveness. Employees are protected against reprisal for reporting instances of waste, fraud, and abuse of personnel management authorities and practices, including merit system violations and prohibited personnel practices.

b. Other Accountability Components

- (1) **Merit Staffing Executive Resources Boards (ERB)**. VA has transformed the merit staffing ERB process by establishing a standard, deliberate, and predictable process that ensures ERBs are conducted timely. From a pool of executives selected for this purpose, VA assembles standing ERBs to conduct the merit staffing process for initial Senior Executive Service (SES) career appointment in accordance with OPM regulations. These executives are scheduled to stand by for specific dates and serve on an ERB if one is scheduled on those dates. An ERB considers the executive and technical qualifications of each candidate other than those found ineligible because they do not meet the requirements of the vacancy announcement. The ERB ensures that all candidates compete and are rated and ranked on the same basis and that rating procedures sufficiently differentiate among eligible candidates on the basis of the knowledge, skills, abilities, and other job-related factors in the qualifications standard for the position so as to enable the relative ranking of the candidates; identifies the best qualified candidates; and makes written recommendations to the Secretary on the candidates. ERB members are appointed by the VA Chief of Staff or DAS for CSEMO.
- (2) VHA Office of Analytics and Business Intelligence. The Office of Analytics and Business Intelligence collects data and provides descriptive data on a quarterly basis on the performance measures for each Veterans Integrated Service Network (VISN) in VHA. This information facilitates frequent discussions between VHA senior leadership and the VISN directors on the progress of achieving established performance measures. The Office of Analytics and Business Intelligence also develops HR data for use by local and regional components (e.g., turnover rates).
- (3) Veterans Affairs Learning University (VALU) Steering Committee. The VALU Steering Committee authorizes funding for cross-cutting training initiatives throughout the Department. In carrying out these responsibilities, VALU supports key elements of accountability for VA's results in Leadership and Knowledge Management.
- (4) **Dean, VALU.** The Dean is the principal advisor to the Deputy Secretary on linking employee learning and professional development to VA strategic goals. The Dean provides departmental level direction on E-Learning, VA Learning Management System (VALMS) and the VA Knowledge Network, all key components of maintaining a skilled and competent workforce that is accountable for accomplishing the mission.
- (5) Corporate Senior Executive Management Office (CSEMO). Under the direction of the Office of the Secretary, CSEMO is responsible for the full lifecycle management of VA's

SES cadre, i.e., VA's strategic human capital responsible for leading the Department and most effectively serving our Nation's Veterans. CSEMO advises the Secretary and VA senior leadership on all aspects of SES management. CSEMO's mission includes managing the executive performance management program, including the Performance Review Committee and Performance Review Board processes, ensuring that the performance appraisal system is applied in a manner that continues to meet regulatory requirements for OPM/OMB certification, and periodically documenting VA's system to support a request that OPM continue VA's certification; advising on executive employee relations matters; effectively managing SES allocations, filling vacant positions, and assembling and overseeing standing Executive Resources Boards that conduct the merit staffing process for career SES appointment; developing executives for strategic leadership and managing their assignments to meet VA's highest priorities. CSEMO provides services for political (PAS) appointees. In addition, CSEMO oversees VA's SES Candidate Development Program (CDP).

- (6) VHA All Employee Survey (AES) Committee and the VHA National Center for Organizational Development (NCOD). The AES Committee and NCOD ensure that the Annual Employee Survey is administered in years when the Federal Human Capital Survey is not administered and the responses are analyzed by appropriate program officials/entities against baselines and expected improvement measures are identified.
- c. **Additional Information.** For additional information regarding roles and responsibilities for Workforce Planning, Talent Management, Leadership and Knowledge Management, Results Oriented Performance Culture and Accountability, see VA's Governance Framework document and VA Directives and Handbooks 5001, 5002, 5005, 5013, 5017, 5024, and 5027.

7. ACCOUNTABILITY SYSTEM

- a. The following objectives describe the intent and desired outcomes of VA's Accountability System:
- (1) To ensure that HC goals and programs are aligned with and are in support of VA's mission;
- (2) To ensure that HC planning is guided by a data driven, results-oriented process; to document an approach that allows a periodical analysis of HC data to assess results or progress toward goal achievement;
- (3) To ensure that managers/supervisors and HR practitioners are held accountable for their HC capital decisions and actions;
 - (4) To assess the effectiveness and efficiency of HRM functions VA-wide:
- (5) To ensure VA's HC programs and policies adhere to merit system principles and other pertinent laws and regulations;

(6) To conduct periodic Delegated Examining Unit (DEU) audits and cyclical HC/HRM assessments to verify and validate the level of performance, across all Administrations and in geographic areas, HC management and merit system compliance; and

- (7) To implement a plan for addressing issues or problems identified during accountability audits and other accountability activities.
- b. VA's accountability system, by design, relies on the integration of activities of many different organizations and programs as described in paragraph 6. The CHCO oversees the operation of VA's accountability system, ensures this integration occurs, and that there is accountability throughout the entire Department. Accountability covers all HC implementation systems including assessments of mission alignment, program effectiveness and efficiency, and merit system compliance. The results of accountability activities document the extent to which HC goals are being met against measures for each of the implementation systems and are used to drive continuous improvement in HC initiatives, HRM programs, and HR processes.
- c. Underlying the infrastructure for VA's accountability system, VA's leadership is committed to maintaining HC accountability as a priority which must be sustained through cross-Administration, HQ Staff Office collaboration, and appropriate resources to maintain its viability and promote continuous improvement in HC results in support of mission accomplishment.
- **8. ACCOUNTABILITY ACTIVITIES.** The following accountability activities will be used in the operation of VA's Accountability System. The<u>se accountability</u> activities are <u>designed to</u> collect information and assess <u>HC management</u> within each Administration and across the Department. They will be used to monitor and evaluate the efficiency, effectiveness, and compliance of VA's HC systems while providing a mechanism for identifying the need for new or revised HC strategies, plans, or corrective action.
- a. **Data Analyses.** Data collection and analyses relevant to HC goals, measures and related objectives are used to assess program efficiency and effectiveness. OHRM monitors overall progress in meeting workforce planning goals and provides status reports to VA's CHCO, OPM, and VA's top managers through monthly performance reviews which are discussed with the Deputy Secretary.
- b. **Employee Surveys.** Employee perspective surveys (VA/Administrations/facility surveys, and the Federal HC Survey (FHCS)). In conjunction with OHRM, NCOD will ensure that annual employee survey results are analyzed by appropriate program officials/entities against baselines and expected improvement measures. The results of employee surveys are shared with top management and the workforce along with any planned local follow-up actions to address negative responses.

c. Delegated Examining Units (DEU) Audits

(1) As required by the OPM Delegated Examining Operations Handbook, all delegated examining units will complete annual self-audits. Completed self-audits will be provided to the Oversight and Effectiveness Service in addition to requirements in the OPM Delegated Examining Operations Handbook.

- (a) Audits will be conducted objectively by VA employees who possess current delegated examining certification, who are not in the chain of command, and do not report to the same facility manager.
 - (b) DEUs will submit their reports to OHRM not later than 30 days after completion.
- (2) OHRM will conduct audits of DEUs annually with an appropriate percentage of the total number of units visited to ensure that all units are audited in no less than 5 years. Sites will be scheduled for audit not later than the beginning of the quarter prior to the quarter in which the audit will be conducted.
- (a) Audit time generally 3 to 5 days, adjusted appropriately based on pre-audit analysis and/or onsite findings. Audits may be conducted on-site or virtually.
 - (b) Pre-audit data analysis of DEU and related activities.
 - (c) Entrance briefing with HR Director and staff, and Administration representative.
 - (d) Transactions/records review of DEU selections and non-selections.
 - (e) Interviews of selecting officials, HR staff.
 - (f) Review of DEU policies, standard operating procedures (SOP), accountability program.
 - (g) Collection of best practices for Departmental sharing.
 - (h) Exit briefing with HR Director and staff, and Administration representative.
 - (i) Report of strengths, weaknesses, required and recommended actions.
 - (i) Closure of required and recommended actions.

d. HC/HRM Assessments

(1) The Office of Personnel Management (OPM), through 5 U.S.C. 305; Civil Service Rule X, as codified in 5 CFR 10.2; 5 CFR 250; and the Homeland Security Act of 2002 (P.L. 107-296) (CHCO Act) requires VA to establish and maintain a system of accountability for merit system principles that (a) sets standards for applying the merit system principles, (b) measures VA's effectiveness in meeting these standards, and (c) corrects any deficiencies in meeting these standards. Therefore, VA, through the Office of Human Resources Management's Oversight and Effectiveness (O&E) Service, will conduct periodic human resources management on-site reviews in order to review human resources management programs and report on the effectiveness of these programs and practices, including whether they are consistent with the merit system principles.

(2) O&E's oversight program emphasizes both adherence to the merit system principles and results-focused human resources management (HRM). The program is based on the premise that VA facilities in general, including HRM, need to focus on results, not just obedience to laws and regulations, to work effectively and meet the expectations of our Veterans and their families. Reviews will tend to be more consultative than investigative, and will help advance HR's and VA's understanding of how to achieve and to assess HRM accountability for results.

- (3) VA has identified the following outcomes of its accountability program to be considered in these reviews:
- (a) Managers, supervisors, and HRM officials are aware of and are held accountable for operating in a manner consistent with the merit system principles.
- (b) Managers and supervisors manage their human resources to support mission accomplishments and VA's Strategic Human Capital Plan. HRM measures are identified and key outcome indicators are assessed. Both are consistently maintained and reported, and are used for decision making and continuous improvement.
- (c) Managers, supervisors, and employees are held accountable for effective and efficient performance. They know what results are desired, are supported in achieving those results, are trained to do their jobs effectively, and have the information they need.
- (d) The human resources function has a proactive customer service orientation, is responsive to customer needs, develops policies or programs that address human resources needs, and is sensitive to cost.
 - (e) Systematic HRM self-assessment leads to constructive change.
- (4) These evaluations will be conducted by the O&E covering Staff Offices and facilities in all VISNs, VBA Regional Offices, and NCA components over a cycle commensurate with manpower and budget. Sites will be selected by data collection of HR indicators and input from Administrations and OPM. Sites for the upcoming Fiscal Year will be selected by June 30th of each year.

9. ASSESSMENT PROCESS

- a. Consultative Approach. O&E's consultative assessment process will:
- (1) Involve the people staffing human resources management.
- (2) Build on the positives.
- (3) Show linkages to higher goals, e.g., mission, program outcomes, etc.
- (4) Use assessment results for potential legislation or policy development.
- (5) Give as much attention to "what the managers need" as to what the regulation requires.

- (6) Provide continuous support.
- (7) Share information on a continuous basis.
- (8) Facilitate positive change.
- b. **Verification.** During the on-site assessment, O&E evaluators will verify the content of the facility's self-evaluation, review improvement action plans and documented progress, as well as conduct reviews of the major HR programs.
- c. **On-site Meetings.** While on-site, O&E assessors will meet with selected management officials, supervisors, and union representatives in order to assess the quality of HR programs and adherence to the merit system principles. Most meetings and interviews will be scheduled well in advance of the on-site visit. Others may be scheduled while on-site.
- d. **Peer Reviews.** O&E encourages facility directors and HR managers to assist each other in periodically reviewing their respective HR programs before scheduled O&E site visits. Assistance of this nature can be an invaluable tool in preparing for O&E assessments.
- e. **Consultative Visits.** When requested, ad hoc on-site assistance visits may be made for the purpose of providing advice and help on the effectiveness and efficiency of human resources management programs. These visits may be scheduled by OHRM O&E or an Administration.
- f. **Assessment Reports.** Assessment reports (prepared by O&E) will show clearly those program strengths and opportunities for improvement which form the basis for an objective appraisal of the status of the human resources management program. Such reports will be brief and to the point, highlighting how well program objectives are being met. Identification of problem areas or functions in need of improvement will be supplemented by suggestions, recommendations or other indications concerning action to be taken to correct inadequacies and strengthen programs. Action to implement corrective measures will be monitored through the submission of reports or follow-up site visits, to the extent deemed necessary, for completed action or to provide additional assistance.
- g. **Effective Practices.** Based on the O&E Effective Practice Guide, various <u>effective</u> <u>practices</u> gleaned by O&E assessors may be posted on the O&E Web site based on post-assessment discussion with facility management or VA Administrations.

10. CONDUCTING THE ASSESSMENT

- a. **Analysis of Information and Data.** O&E will periodically conduct a review of field station human resources management programs through analysis of:
 - (1) OPM evaluation reports of both DEU and non-DEU Facilities.
 - (2) VA management reviews (department/staff office reviews, etc.).

- (3) Statistical and narrative human resources management reports.
- (4) Information resulting from ongoing communication with field stations.
- b. **Advance Information Request.** Approximately 60 days prior to the scheduled on-site visit, O&E will request the facility provide certain information which will be used in developing the individual HR program review. A copy of the <u>advance information request</u> can be found on the <u>O&E Web site</u>. Facility directors are responsible for ensuring that the requested information is forwarded to O&E within 21 days of receipt of the request. Facilities will also be required to provide assessors with access to the electronic Official Personnel Folders (E-OPF) for forty days prior to the assessment and forty days subsequent to the assessment for transaction and records review.
- c. **On-site Assessments.** On-site assessments will be scheduled on the basis of such factors as consultation with each Administration, lapsed time since last visit, and stations' need for assistance. They typically involve a full review of all human resources management activities. These surveys may involve a review of human resources management activities and services rendered to separate VA facilities for which a single human resources management office provides support.
- d. **Programs Covered During On-site Assessments.** Most major HR programs will be reviewed while on-site. Examples follow:

NOTE: This list is not all inclusive. As circumstances warrant, the on-site visit may culminate in reviewing additional or differing HR specialty programs. O&E's full agenda will be discussed with facility management before going on-site.

- (1) Talent Management (including regulatory and merit staffing compliance and use of staffing flexibilities).
 - (2) Results-Oriented Performance Culture.
 - (3) Leadership and Knowledge Management.
 - (4) Capability to Provide HRM Service.
 - (5) Strategic Alignment.
 - (6) Accountability.
- 11. ANNUAL HC SELF EVALUATION. Each VA facility completes an annual HC Self Evaluation (using a web-based self assessment tool) to help VA measure the Department's performance against the HC standards for success contained in the HCAAF, and to assist field facility Directors in conducting systematic HC self assessments. Facility Directors develop action plans designed to address any deficiencies identified through the annual HC Self Evaluation.

a. **Evaluation Goals.** Each facility Director or designee is expected to conduct a frank and realistic HC self-evaluation. The primary goal is to identify areas that are successful and can subsequently be evaluated as an "effective practice," those needing improvement that can be corrected over time, and those that need urgent attention and to establish achievable improvement targets. Over time, the typical facility will be able to report and demonstrate progress in a number of human capital areas. O&E-verified "effective practices" will be highlighted on the O&E Web site as examples for potential adoption by other VA facilities.

b. Timing of Evaluations

- (1) Each field facility is to complete the HC self-evaluation once a year within an allotted timeframe during the beginning of each new fiscal year. The posting of the evaluation to the survey website is to capture the current status of HRM processes at the facility and to communicate targets for where the facility plans to be with respect to these same HRM processes at the end of the next fiscal year. It is advised that facilities conduct the current status evaluation early enough to ensure that adequate analysis and action plans can be completed on time.
- (2) Each DEU facility must complete the self-assessment form in the first level of the evaluation process. The self-assessment must be accomplished by the end of each fiscal year. The initial self-assessment schedule as well as the exact scope and size of the sample will be determined by the respective partners. The scope and size of the sample must be broad enough to represent a valid indicator of performance. The Program Review Worksheet, Certificate Review Worksheet, and the Application Review Worksheet templates will be used for the annual self-assessment and maintained by the DEU facilities until the next on-site evaluation. A written report of self-assessment findings will be prepared using the template provided by OHRM O&E Service. The report and certification of completion of the annual DEU self-assessment shall be provided to OHRM O&E and the servicing local OPM Service Branch.
 - c. **Evaluation Process.** The following steps occur during the self-evaluation process:
- (1) The Human Resources Office conducts a review of a sample of personnel actions to ensure that they comply with merit systems principles and other Federal regulations.
- (2) The facility Director or designee will distribute copies of the Web-based evaluation instrument for input to all facility management or a significant representational sample of management officials (e.g., managers and supervisors) throughout the facility.
- (3) Alternately, the facility may utilize focus groups of management officials to achieve the same results as in paragraph 4c(1).
- (4) To respond to some questions, the facility may need to designate a lead staff member to confirm factual information.
- (5) The facility Director or designee will then compile the overall facility evaluation instrument which will then be completed on-line via a designated website.

(6) The facility Director or designee should also involve facility managers in completing the instrument again indicating improvements the facility plans to achieve.

- (7) Action plans that are created by the facility should be updated throughout the FY year. Facilities may want to report if the plan has been started, if significant parts of the survey have been completed, if the action plan itself has been completed, etc.
- d. **Access to the Web Site Submissions.** O&E will manage and control access to the designated web site. Executives in the direct chain of command will also have access to the Web site submissions. Each Under Secretary may designate additional officials to access the survey.
- e. **Subsequent Facility Activity.** The facility must publicize its action plans to ensure that improvement efforts permeate throughout the facility. Periodic progress reports also should be publicized throughout the facility.

f. File Maintenance

- (1) Each facility Director or designee is to retain a signed hard copy of the postings made to the designated web site; i.e., the current evaluation instrument and associated action plan(s).
- (2) Each facility Director or designee is to retain copies of all documents used in compiling the facility's current and future HR self-evaluations. These will be reviewed by O&E on-site assessors as part of the systematic on-site assessment process.

12. OTHER ACCOUNTABILITY REVIEWS

- a. **Program Reviews.** Executive/Management Councils and other working groups (e.g., VA Executive Board, Strategic Management Council, Strategic Planning and Policy Formulation Group, Workforce Planning Group, etc.) along with HR&A and OHRM program offices complete program reviews and evaluations as directed, scheduled, or ad hoc to acquire information, data, and results for use in assessing goal achievement, program efficiency and effectiveness, customer satisfaction, and program improvement needs. The information generated by these reviews and assessments help support managerial decision-making on HR programs and issues across the Department. For example, VA uses the Performance Appraisal Assessment Tool (PAAT) to assess the strengths and weaknesses of VA's performance appraisal program. Information from the PAAT assessment is being used to develop plans and strategies, in conjunction with the Administrations, to define corrective and improvement actions for aligning performance and awards with organizational goals. One aspect of this planning is to develop policies to hold organizations accountable for improving performance and awards processes.
- b. **Performance Reviews.** VA has established a robust process for reviewing executive performance; CSEMO manages the process. Throughout the performance review process, organization performance must be considered, as appropriate, in rating individual executives. During the Departmental Monthly Performance Review (MPR) meetings, each organization's performance is reviewed by the Deputy Secretary, who highlights accomplishments and identifies areas needing improvement including the specific actions necessary to achieve

organizational and Departmental goals and milestones. The MPRs are captured in scorecards and matrices. At the end of the SES performance cycle (September 30th), each organizational performance is reviewed in terms of the overall performance of the Department. For individual ratings, in addition to the executive's rating official who assigns the Annual Summary Rating, VA relies on a 2nd level reviewer, usually the rating official 's supervisor, to provide an independent rating. For each rating cycle, VA establishes three Performance Review Committees (PRC)--VHA, VBA, and VACO/NCA--to review the performance ratings for executives under their respective purview. As required by statute, VA establishes an annual Performance Review Board (PRB) to review the recommended ratings for all executives and make recommendations regarding the ratings to the Secretary. CSEMO oversees the PRCs and PRB and advises the Secretary to ensure fairness, credibility, transparency, and standardization. The Secretary makes a final decision about each executive's rating and any pay adjustment and/or performance award that he determines is appropriate.

c. The Joint Commission (TJC) Reviews. Health care evaluation and accreditation services from TJC promotes continuous improvement in the safety and quality of care provided to the public through the provision of health care accreditation and related services that support performance improvement in health care organizations. As the nation's predominant standards-setting and accrediting body in health care, TJC maintains state-of-the-art standards that focus on improving the quality and safety of care provided by health care organizations. TJC's comprehensive accreditation process evaluates VA's compliance with these standards and other accreditation requirements. One of the primary areas covered during TJC reviews is management of human resources. According to the Joint Commission Handbook, the goal of the human resources function is to ensure that the hospital determines the qualifications and competencies for all staff positions (individuals such as employees, contractors, or temporary agency personnel who provide services in the hospital) based on its mission, number of patients, type of care and treatment provided, and other services. TJC accreditation process also ensures that hospitals provide the right number of competent staff to meet patients' needs.

13. REPORTING AND CORRECTIVE/IMPROVEMENT ACTION

- a. VA's Accountability System is designed to promote continuous improvement, including corrective action to address weaknesses/deficiencies and merit system violations. All accountability activities will be reviewed by the OHRM and appropriate management entities to determine and implement needed changes to VA's HC Plan goals and objectives, HR programs and processes, and the accountability system itself. Case violations involving potential prohibited personnel practices will be referred to appropriate oversight agents— Office of Inspector General, Office of Special Counsel, OPM, etc. Systemic concerns will be referred to the AS for HR&A for consideration of Department-wide action.
- b. As required by 5 CFR 250, OHRM will ensure the completion of VA's annual HC Management Report which will incorporate the findings from accountability activities completed throughout the year and the resulting actions taken to improve HC initiatives, HRM programs/processes, and to increase the functionality of the accountability system to produce results that drive continuous improvement.

c. OHRM will oversee timely completion of DE reports by the designated teams. Reports will be generated upon the completion of the onsite audit. Specific required and recommended actions resulting from DE audits will be tracked for satisfactory completion by OHRM, based on the written response produced by the HR organization reviewed, generally within 20 work days of receiving the report. The findings that generate actions will be addressed in subsequent reviews to ensure institutional improvements.

- d. O&E oversees the timely completion of corrective action generated by HC/HRM assessments. Assessment reports will be generated upon completion of onsite work. Specific required and recommended actions resulting from HC/HRM reviews will be tracked for satisfactory completion by O&E, based on the written response produced by the local facility reviewed, generally within 20 work days of receiving the report. The findings that generated actions will be addressed in subsequent reviews to ensure institutional improvements.
- e.
 O&E will oversee the timely completion of the annual HC Self Evaluation by local facility Directors. O&E staff will compile an annual report on the status of VA's HRM program for submission to the Secretary and other top management officials. This information will be incorporated into the HRM Annual Report, as appropriate.
- f. O&E will verify "effective practices" and highlight them on the O&E Web site as examples for potential adoption by other VA facilities.

14. EVALUATION OF VA'S ACCOUNTABILITY SYSTEM

- a. The AS for HR&A oversees the evaluation of VA's HC Accountability System by reviewing the results of the accountability activities in the aggregate, assessing the state of strategic HCM in VA, and directing any necessary follow-up actions. The Accountability Program Manager, in coordination with key officials/organizations, collects the data that will help determine how well VA has performed against specific measures and is responsible for writing the annual accountability report.
- b. After completing the process for annually assessing the effectiveness and efficiency of accountability activities, results will be assessed against the accountability program to ensure the following year's accountability activities are addressing up-to-date HC goals and objectives with the most appropriate measures to track mission alignment, effectiveness, efficiency, merit system compliance, and that all designated officials and organizations are meeting their accountability responsibilities as outlined in this handbook. The purpose of continuously monitoring our accountability system and the accountability program is to improve HC business processes to more effectively support VA's mission. OPM staff will participate in onsite audits and provide feedback on the overall effectiveness of VA's accountability system, based upon the annual Human Capital Management Report.